

WIA PERFORMANCE STANDARD 'ADJUSTMENTS':

Using LED QWI Data in State and Local
Diagnostics and Negotiations

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“The current 17 WIA performance measures and their related standards do not reflect differences in economic conditions and the diversity of the populations. They do not provide any way to compare local areas of states accurately and fairly.”

Eleanor M. Carey, President
Governor’s Workforce Investment Board
June 26, 2002 Letter to ETA/DOL

Two of the 17 WIA performance measures are:

- Adults Entered Employment Rate
- Dislocated Workers Entered Employment Rate

The definition of ‘Entered Employment Rate’ in each case is:

“Number of (adults/dislocated workers) who have entered employment by the end of the first quarter after exit divided by the number of adults who exit during the quarter.”

The July 2000-June 2001 Maryland State Standards for the Entered Employment Rate Performance Measure were:

- Adults 69 percent
- Dislocated Workers 75 percent

- The Maryland State Standards for Entered Employment Rate Performance were applied uniformly to each of the State's 12 Local Workforce Investment Areas.
- Did each of the 12 Local Workforce Investment Areas have the same opportunity to perform?
- 'Opportunity to perform' depends upon the size, demography and other attributes of the local WIA program client flow; and the size and demography of the local hiring stream (among other considerations).

- The LED QWI data will offer DOL/ETA, States and Local Workforce Investment Area Boards new insights about state and local hiring flows -- by gender, age and industry sector.
- The LED QWI series should become a basic resource for negotiation of future WIA Performance Standards.
- An exploratory example follows.

Data Sources

- Maryland Workforce Investment Act Standardized Data (WIASRD) file for PY 2000 (July 2000-June 2001) provided by Maryland Department of Labor, Licensing and Regulation
- LED (<http://lehd.no-ip.com>) Maryland Workforce Investment Board Hires-Recalls-Separations Report Data
- Maryland ES-202 file data provided by Maryland Department of Labor, Licensing and Regulation.

Selected for illustrative purposes:

- WIA Adult and Dislocated Worker Exits July 2000-June 2001, in two Local Workforce Investment Areas
- Female Age Group 35-44 and Age Group 45-54
- Entered Employment in Retail Trade and Services
- LED QWI Hires in Retail Trade and Services, 2000: Q3 and Q4 and 2001: Q1 and Q2

July 2000-June 2001 Female Hires (from LED data file)

	<u>City WIA</u>	<u>Suburban WIA</u>
Retail Trade		
Ages 35-44	4,940	3,857
Ages 45-54	3,204 (65% of)	1,858 (48% of)
Services		
Ages 35-44	15,512	6,737
Ages 45-54	8,622 (56% of)	3,839 (57% of)

2001: Q2 Females Ages 35-44 (from LED data file) Full-quarter Average Earnings of New Hires

	<u>City WIA</u>	<u>Suburban WIA</u>
Retail Trade	\$3,746	\$4,051
Services	\$6,931	\$6,738

WIA Entered Employment, July 2000-June 2001, Female Age Group 35-44 (from WIASRD and ES-202 data files): Percent of Entered Employment Events in Each Industry

	<u>City WIA</u>	<u>Suburban WIA</u>
Retail Trade		
Adults	8%	20%
Dislocated Workers	9%	22%
Services		
Adults	81%	30%
Dislocated Workers	67%	37%

- A “Good” Performance Standard defines a threshold level of acceptable performance
- Distinguished colleagues (in a “Do Not Cite or Distribute” manuscript) have identified desirable features of the panel data set that is needed to calculate “good” State and Local performance standards.

- WIB as unit of observation
- The current negotiated standard
- Actual recent performance
- Characteristics of the economic environment and participant populations
- Details of State/Local policies
- The reward function for linking outcomes to rewards

The factory of the future will employ only one person and one dog.

The person will be needed to feed the dog.

The dog's job is to keep the person from touching the computer.

Robert D. McTeer, President, Federal Reserve Bank of Dallas The Wall Street Journal, January 13, 2003, page A10, "Productive America".